

City of Alameda

EXECUTIVE MANAGEMENT COMPENSATION PLAN

June 24, 2007 through June 19, 2009

Section 1. At-Will and Exempt FLSA Status

All employees covered under this Compensation Plan are at-will, serving at the discretion of the City Manager (except that the City Clerk serves at the pleasure of the City Council), and are exempt from FLSA coverage. The job titles of the positions covered by this Compensation Plan are:

General Manager - Alameda Power and Telecom
Assistant City Manager
Development Services Director
Public Works Director
Chief Financial Officer
Library Director
Planning and Building Director
Recreation and Parks Director
Executive Director - Housing Authority
General Manager - Golf Complex
Human Resources Director
Deputy City Manager
City Clerk

Section 2. Management Incentive Pay

The management incentive pay program was discontinued as of June 24, 2006. At that time all classifications received a one-time increase to the base salary schedule equivalent to 15 standard workweek days, with the exception of Deputy City Manager, which shall receive a one-time increase to the base salary schedule equivalent to ten standard workweek days.

Section 3. Salaries/Rates of Pay

In 1992, in lieu of a 4% salary increase, all management and confidential employees, including department heads and other executive managers, were adjusted from a five-day workweek to a four-day workweek. Effective June 25, 2006, a five-day workweek option was reestablished and is available for the following classifications with resultant salaries: General Manager - Alameda Power and Telecom, Development Services Director, Public Works Director, Chief Financial Officer, Executive Director- Housing Authority, General Manager-Golf Complex, and Human Resources Director. The salaries for other executive management classifications of Assistant City Manager, Deputy City Manager,

Library Director, Planning & Building Director, and Recreation & Parks Director were adjusted by previous Resolutions 13917, 13977, 14008 and 14034 to reflect replacement of the four-day workweek with a five-day workweek with resultant salaries.

Employees who were appointed to classifications covered by this Compensation Plan prior to January 1, 2006, excluding the City Clerk, may choose to be assigned to the five-day workweek option at any time with concurrence of the City Manager. Once the five-day workweek option is chosen, the employee will not have the ability to move back to the four-day workweek.

The biweekly salary range for each classification shall be as set forth in Exhibit A, which is attached hereto reflecting wage increases effective June 24, 2007 of three percent (3%); and effective June 22, 2008 wage rates shall be adjusted by the amount of the change as measured by the difference in the April 2007 through April 2008 Consumer Price Index (SF, OAK, SJ 1982 -1984 =100, W), with a minimum increase of two (2) percent and a maximum increase of four (4) percent. These increases are not to be applied to the General Manager – Golf Complex classification, which will remain at June 25, 2006 salary rates.

Section 4. Money Purchase Plan (IRC 401(a))

One percent (1%) of base salary will be paid by the City as deferred compensation and two percent (2%) of total earnings will be paid by the employee towards an IRC 401(a) money purchase plan for employees covered by this Compensation Plan.

Section 5. Health and Welfare

The City will make available medical, dental and life insurance for eligible employees through a contribution to the Flexible Benefits Plan.

5.1 Medical Insurance

Two different structures for the medical component of the Flexible Benefits Plan will be provided to employees, based on their date of hire as outlined below.

Employees who were hired by the City of Alameda on or before the date this Compensation Plan is approved by the City Council, and those promoted into the EXME employee group from another bargaining unit where the employee was receiving a medical component cash back provision equal to or greater than Plan A below, may choose to be covered under Plan A or Plan B as outlined below. If Plan A is chosen, the employee may choose to move to Plan B at any time. Once Plan B is chosen, the employee will not have the ability to move back into Plan A. All employees hired after the date this Compensation Plan is approved by the City Council and while this Plan is in effect, shall be covered under Plan B.

Plan A

Under Plan A, the City will make the following contributions per month per eligible

employee toward the Flexible Benefits Plan for health insurance. These amounts include the PERS minimum employer contribution (MEC) as required by state law, regardless of the year or amount, if enrolled in PERS medical insurance.

<u>Coverage Level</u>	2007	
	<u>City Contribution</u>	<u>CashBack Max</u>
No coverage (0 party)	\$ 869.43	\$ 869.43
Employee only	\$ 1,054.45	\$ 530.74
Employee + 1	\$ 1,054.45	\$ 176.05
Employee + 2 or more dependents	\$ 1,054.45	\$ 0

Effective January 1, 2008 and January 1, 2009, the City's contribution shall increase by 85 % of the increase to the Kaiser premiums based upon the coverage level for the employee + 2 or more dependents. If an employee chooses to be covered by a higher cost medical plan, they will be responsible for paying the difference in the cost for that medical plan. If an employee elects no medical coverage through the City and can document they have alternative medical coverage, they will be eligible for cash back. The amount of cash back is determined based upon the City's Medical Contribution less the cost of the medical plan chosen by the employee. Employees receiving cash back will continue to receive it. The amount of cash back will not increase from current levels; however, the amount of cash back an employee receives may change as a result of a change in enrollment based on coverage level. The cash back amounts will not be increased as premiums rise.

Plan B

Under Plan B, the City will make the following contributions per month per eligible employee toward the Flexible Benefits Plan for health insurance. These amounts include the PERS minimum employer contribution (MEC) as required by state law, regardless of the year or amount, if enrolled in PERS medical insurance.

<u>Coverage Level</u>	2007	
	<u>City Contribution</u>	<u>Cash Back Max.</u>
No coverage (0 party)	\$ 0	\$ 230
Employee only	\$ 431.17	\$ 0
Employee + 1	\$ 862.34	\$ 0
Employee + dependents	\$ 1,121.04	\$ 0

Effective January 1, 2008 and January 1, 2009, the City will increase its contribution to the medical plan by the amount necessary to cover the full cost of the premiums for the lowest cost medical plan (excluding Western Health) based upon the employee's coverage level (employee only, employee + 1, or employee + 2 or more dependents). The amount of cash back will not increase from the current level of \$230. If an employee elects no medical coverage through the City and can document they have alternative medical coverage, they will be eligible for cash back. If an employee chooses to be covered by a higher cost medical plan, they will be responsible for paying the difference in the cost for that medical plan.

5.2 Medical Plan

The City shall contract with the Public Employees' Retirement System (PERS) for the purpose of providing medical insurance benefits for employees covered by this Compensation Plan, eligible retired employees and eligible survivors of retired employees.

5.3 Dental Insurance

The City will make the necessary contributions per month per eligible employee toward the Flexible Benefits Account to provide the dental plan to the employee and eligible dependents. This coverage will be mandatory for all employees. Effective January 1, 2003, the dental program was improved to the \$2500/\$2500 plan per employee and eligible dependent for annual dental care and lifetime orthodontic care.

5.4 Life Insurance

The City shall provide each employee with a One Hundred Thousand Dollar (\$100,000.00) life insurance program. This coverage will be mandatory for all employees covered by this Compensation Plan. Any increase in premium shall cause a like increase in the flexible benefit account.

The City shall provide each employee with the opportunity to purchase, at their own cost, additional optional life insurance up to the maximum amount provided by and subject to the conditions of the carrier.

5.5 IRC Section 125

In conjunction with the Flexible Benefits Plan, the City agrees to implement an IRC Section 125 plan to redirect the employees' pre-selected amount of salary to pay employee paid insurance premiums and other approved expenses with pre-tax instead of after tax dollars.

5.6 Health Savings Plan

The City will implement a Health Savings Plan where individual employees may make an irrevocable choice to participate in and make pre-tax contributions.

5.7 Employee Assistance Program

The City shall continue to provide for all employees an employee assistance program. The cost of such program shall continue to be paid by the City only during the term of this Compensation Plan.

5.8 Long Term Disability Insurance

The City will provide a paid for LTD insurance plan equal to benefits provided for in the current plan which is 66.6667% of monthly earnings up to a maximum benefit of \$8,000 per month for the number of months according to the terms and conditions of the plan. If benefits are improved, such improvement shall be incorporated in the Long Term Disability Plan at no cost to all covered employees. These Long Term Disability Insurance provisions apply to all employees covered by this Compensation Plan with the exception of Deputy City Manager. Instead, the City will provide for

the Deputy City Manager, a paid for Long Term Disability Insurance Plan equal to benefits provided for in the Management and Confidential Employees Association Memorandum of Understanding.

Section 6. Retirement Plan

The present Retirement Plan between the City and Public Employees Retirement System shall be maintained at the current benefit level for the duration of this Compensation Plan.

1. 2% at 55.
2. The City provides the PERS single highest year retirement benefit.
3. Employees pay their own seven (7%) percent contribution.
4. The City amended its contract with PERS during 1991 to provide for additional service credit for unused sick leave. Those employees eligible for sick leave payoff may select to use eligible payoff days for either payoff or prior service credit. There will be no maximum sick leave accrual.
5. The City will allow any employee retired under the PERS Retirement plan a one time only election to participate permanently in the City's medical plans at his or her own expense. Participation in this program shall be in accordance with state law including rules and regulations promulgated by PERS.

Section 7. Holidays

Employees covered by this Resolution shall be entitled to take all authorized holidays at full pay, not to exceed 7.5 hours pay for any one (1) day.

The authorized holidays for the City are:

- (1) New Year's Day
- (2) Martin Luther King's Birthday
- (3) Presidents' Day
- (4) Memorial Day
- (5) Independence Day
- (6) Labor Day
- (7) Veterans Day
- (8) Thanksgiving Day
- (9) Day after Thanksgiving Day
- (10) Christmas Day
- (11)(12) and (13 ½) Three and one-half (3 ½) Floating Holidays (to be taken each year during the period January 1 through December 31)

Section 8. Vacation

8.1 Vacation Benefits

Upon the discretion of the City Manager, employees covered by this Compensation Plan, excluding the City Clerk who serves under authority of the City Council, may receive up to twenty (20) working days of vacation with pay annually upon employment to recognize previous applicable experience.

An employee shall receive one additional working day of paid vacation for each additional year of service on their anniversary date up to a total of 25 vacation days.

Effective with calendar year 2007, vacation accumulation will convert from an annual accrual system to a pay period based accrual system. For the conversion year of 2007 only, both the January 2007 annual drop and the pay period accruals will be awarded to employees. No future annual drops will be made after January 2007. The pay period accrual system will commence with the pay period ending January 6, 2007. For the purposes of this section a workweek is 37-1/2 hours and a working day is 7-1/2 hours.

8.2 Vacation Accumulation

No employee may accumulate more than one hundred fifty (150) hours of vacation at any one time in addition to the employee's annual vacation entitlement. However, during the calendar year 2007, the accumulation shall not exceed 300 hours of vacation in addition to the employee's annual vacation entitlement. Each subsequent calendar year the number of hours in addition to annual accrual permitted for accumulation shall be reduced by 50 per year until the original accumulation maximum of annual accrual plus 150 hours is restored. Vacation accumulation shall not exceed these amounts unless otherwise approved by the City Manager. The City Clerk, who serves under authority of the City Council, shall obtain approval for any exception from Council.

8.3 Vacation Pay at Termination

Upon termination of employment, employees shall be paid cash value of his or her accrued vacation leave at the time of termination.

Section 9. Sick Leave

Employees covered by this Resolution shall accrue sick leave at the rate of one (1) day (a day being based on 7-1/2 hours) per month. There shall be no limit on sick leave accrual. In no event shall sick leave be converted into a cash bonus. Charge for sick leave used shall be on the basis of one (1) hour for each hour used. Sick leave may not be used before it is earned.

Section 10. Catastrophic Leave

Catastrophic Leave is governed by Management Policies & Procedures No. 44.

Section 11. Leaves of Absence

11.1 Funeral Leave

In the event of a death in the immediate family of an employee, the employee shall, upon request, be granted such time off with pay as is necessary to make arrangements for the funeral and attend same, not to exceed four (4) regularly scheduled working days. This provision does not apply if the death occurs while the employee is on leave of absence, layoff, or sick leave.

For the purpose of this provision, the immediate family shall be restricted to parents, siblings, spouse, domestic partner, children, mother-in-law, father-in-law, grandparents, grandchildren, step-parents or stepchildren where there is a child-rearing relationship. At the request of the City, the employee will furnish a death certificate and proof of relationship.

Funeral leave applies only in instances in which the employee attends the funeral, or is required to make funeral arrangements, but is not applicable for other purposes such as settling the estate of the deceased.

11.2 Jury Duty

An employee summoned to jury duty shall inform the City Manager and, if required to serve, may be absent from duty with full pay for that time required to serve.

Section 12. Auto Allowance

With the exceptions noted below, employees covered by this Compensation Plan shall be provided with an auto allowance of \$250 per month. This allowance shall be treated as taxable income but shall not be considered as salary for PERS purposes. The auto allowance shall not be applied to the Deputy City Manager. Since a city vehicle is currently assigned to the Public Works Director, that position is ineligible for an auto allowance. The assignment of this vehicle shall be subject to review by the City Manager annually and upon a vacancy in the Public Works Director position.

Section 13. Outside Employment

No full-time employee shall engage in employment that constitutes a conflict for the employee or the City. No employee shall engage in outside employment during his/her regular working hours. No uniform, emblem, badge or other employee identification shall be worn by any person while in the employment of someone other than the City. All requests by the employee for permission to engage in outside employment shall be made on a form provided by the City. No employee shall accept or continue employment other than with the City of Alameda without the approval of the City Manager, which may be withheld only if such employment constitutes a conflict for the employee or the City or which would interfere with the

employee's ability to perform his or her City job. The City Clerk, who serves under authority of the City Council, shall obtain approval from Council.

Section 14. Miscellaneous

The City's Drug Free Work Place Policy and Testing Procedure applies to employees governed by this plan.

CITY OF ALAMEDA
EXECUTIVE MANAGEMENT COMPENSATION PLAN EXHIBIT A

CODE	CLASSIFICATION	BIWEEKLY				
		STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
MISC						
Exempt						
EFFECTIVE: 06/24/2007						
7001*	General Manager-AP&T	6248	6560	6888	7232	7594
1052*	Assistant City Manager	6139	6446	6768	7106	7461
1057	Development Services Director	5620	5901	6196	6506	6831
1058*	Development Services Director	5831	6123	6429	6750	7088
1120	Public Works Director	5602	5882	6176	6485	6809
1121*	Public Works Director	5814	6105	6410	6730	7066
1020	Chief Financial Officer	5107	5362	5630	5911	6207
1021*	Chief Financial Officer	5300	5565	5843	6135	6442
1131*	Library Director	5193	5453	5726	6012	6313
1061*	Planning and Building Director	5193	5453	5726	6012	6313
1141*	Recreation & Park Director	5193	5453	5726	6012	6313
1900	Executive Director-Housing Authority	5005	5255	5518	5794	6084
1901*	Executive Director-Housing Authority	5193	5453	5726	6012	6313
1070	Human Resources Director	5005	5255	5518	5794	6084
1071*	Human Resources Director	5193	5453	5726	6012	6313
1056*	Deputy City Manager	3878	4072	4276	4490	4715
1030	City Clerk					4512
EFFECTIVE: 06/25/2006						
5203	General Manager-Golf Complex	4860	5103	5358	5626	5907
5204*	General Manager-Golf Complex	5042	5294	5559	5837	6129

Thirty-seven and one-half (37-1/2) hour original work week.

* Five-day work week